

U.S. House of Representatives

COMMITTEE ON ARMED SERVICES

Washington, D.C. 20515

January 24, 1978

Mr. George Cary
Central Intelligence Agency

Dear George:

Can you help us with this
for Mr. Tribble?

Sincerely,

[Redacted Signature]
General Counsel

STAT

OKC-78-0194

Washington, D.C. 20515

Approved For Release 2005/04/22 : CIA-RDP81M00980R001000090025-5

Request

MEMORANDUM

Tom:

Congressman Tribble is concerned about the entire issue of technology transfer to Soviet block countries. He would like to know the background on the Allison engines; how the sale was proposed etc.

I appreciate your help in this matter.

Steve Parker

Steve

*Pkg file in
Rep. Tribble*

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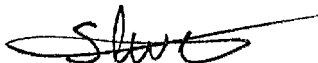
MEMORANDUM

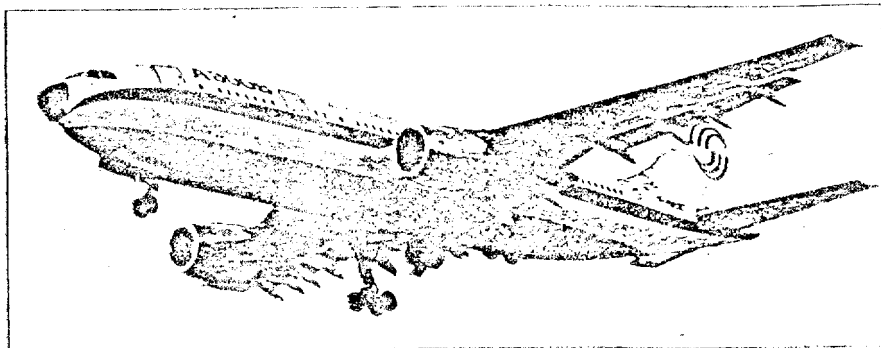
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Europe's Airbus: A major U.S. customer needs an answer to a weighty question.

Holding Pattern For The Airbus

The hassle over the noise of the supersonic Concorde isn't the only problem European aircraft have flown into at U.S. airports. The 229-passenger A-300 Airbus, product of a French-German-Spanish consortium, is having trouble with its weight. Eastern Air Lines wangled free six-month leases of four of the \$25-million Airbuses to test their usefulness on the lucrative New York-Miami run. The Port Authority of New York and New Jersey, which runs the city's airports, however, has ruled that the weight at which Eastern wants to fly the plane—330,000 pounds—will be too much for the piers that form the outer ends of La Guardia's runways. A lower weight would mean far fewer passengers or a refueling stop on the way to Miami, neither good for business. Eastern has had to shift its planned daily La Guardia test flight to Newark. The weight limitation (which the plane's manufacturers are now trying to solve) could put the whole operation in doubt. If it can't use the popular La Guardia for the 1,100-mile Miami run, Paul Johnstone, Eastern's vice president for operations and services says, "we must seriously question adding [the A-300] to our fleet." Eastern's President Frank Borman has talked of buying 50 Airbuses by 1989.

Back To Basics

The rubber tree is flourishing as never before. The scarcities caused by World War II and the Korean War brought synthetics to the fore, but natural rubber never disappeared. It still accounts for a third of all the rubber used in the world and some predictions say its share will reach 40% in the next ten years, as the petrochemicals used to make synthetics become scarcer and more expensive. "We're looking at natural rubber as never before," says Jack Riedl, head of Goodyear's rubber division. "World consumption could well jump from 3.5 million tons today to 5 million to 10 million

tons per year by the 1990s." Riedl should know. Tires—Goodyear's number-one product—take 72% of the world's natural rubber, and radial tires, which look like the ride of the future, use twice as much natural rubber as the older bias types do. So Goodyear, which now owns or operates six rubber plantations in Indonesia, Brazil, Guatemala and the Philippines, is expanding its sources. The big Akron manufacturer has just acquired an 11,000-acre plantation in Sumatra and plans a \$6-million program to triple its production. Goodyear is also launching a \$10-million expansion of its rubber plantation near Belem, in Brazil.

The School Of Hard Knocks

Businessmen worried about what stress and a tough schedule may do to their psyches can find encouragement in the performance of those 566 U.S.

Home Free: How have the POWs fared?



POWs, most of them airmen, who returned from Hanoi's prison camps in 1973. Despite confinement in some cases for as long as nine years, more than 73%—418 in all—are still in the military service and 310 of that number are still flying. Two have committed suicide; six have had serious mental breakdowns; about two dozen developed drug and drinking problems, their divorce rate runs about 26%. Balancing all that is the fact that 150 have donned colonel's eagles or a Navy captain's four stripes since their return. Forty of these have retired, but the remainder are slated to become the military brass of the future. Some, in fact, have already reached that status. Lt. Gen. John P. Flynn, inspector general of the Air Force, and Vice Admiral James B. Stockdale, president of the Naval War College, are both ex-POWs.

Peking's Purchasing Plans

Peking's laundry list of aircraft and other technology purchases from the West is getting longer. In 1972 the People's Republic bought a fleet of Boeing jets for its commercial transport routes. It is now reported weighing a choice between more Boeings (VC-737s) or DC-9s from McDonnell Douglas. The Chinese are also interested in Grumman Gulfstreams or Learjets for aerial survey work. On the military side, they plan to take a look at Britain's vertical-takeoff Harrier jets (which the U.S. Marines are now flying). They also have plans for West German helicopters, diesels for submarines and patrol boats and, hopefully, German sonar gear.

How Open Is "Open"?

President Carter may talk about an "open" administration, but he doesn't mean wide open. He has sent a terse, one-paragraph personal note to all his Cabinet officers, which they have dutifully circulated to their bureaucracies, ordering everyone to "coordinate" (federalese for "clear") all statements bearing on foreign policy with Secretary of State Cyrus Vance and National Security Adviser Zbigniew Brzezinski.

A No-No From The CIA

The Central Intelligence Agency has thrown up a roadblock against Poland's plans to buy three turbo-shaft helicopter engines from General Motors' Allison division and to coproduce additional ones. The Allison engine is much smaller than its Soviet counterpart, and Poland says it wants it for a light utility chopper. The CIA's objection is that the engine comes with components that it claims

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Trends

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would give Soviet engineers a long jump ahead in developing power plants to match those on U.S. cruise missiles. The Russians lag in cruise-missile technology and the CIA thinks getting the Allison could cut two years off their development time.

Viva Italia!

Despite what were regarded as horrendous economic problems, Italy's current accounts balance is expected to end the year with a \$1.8-billion surplus, in contrast to a \$2.8-billion deficit in 1976.



In Italy: The tourist is the treasure.

And the 1978 surplus, the forecasters say, could reach \$3 billion. To achieve that *risorgimento*, the Italians have been helped by austerity (yes, austerity) programs at home, borrowings, increased exports, reduced oil imports and, most of all, by tourists. Carefree visitors to Italy are expected to leave behind no less than \$3.6 billion this year.

Stay Tuned

Taxpayers tackling their 1977 Form 1040s next year will have an extra little chore. Line 45 of the new income-tax form was originally designed to include the promised credits for energy-saving expenses. The ongoing congressional tug-of-war over the Carter energy program, however, wasn't resolved in time for the printing deadline of either the form itself or the instruction booklet. So line 45 reads: "See page 12 of instructions." A box on page 12 tells the citizen that if the credits ever become law, "we will notify taxpayers through radio, television and newspaper announcements." ■

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Mr. George Cary
Legislative Counsel
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Washington, D.C. 20505

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